

South Carolina Office of Regulatory Staff

Investigation and Initial Report

WS Lee Pipeline Facility

June 1, 2018



Background

On May 8, 2018, the South Carolina Office of Regulatory Staff (ORS) received a letter dated May 3, 2018 addressed to Vice Chairman of the Public Service Commission of South Carolina (PSC), Comer H. Randall. The anonymous letter expressed safety concerns regarding the recent construction of a natural gas line that feeds the WS Lee facility in Anderson, South Carolina (pipeline). Specifically, the letter states that one of the welds of the steel pipeline had failed x-ray standards implemented by the Pipeline and Hazardous Materials Safety Administration (PHMSA) and that no records existed that the weld had been repaired.

Piedmont Natural Gas (PNG) is the owner and operator of the pipeline into the WS Lee facility. On May 9, 2018, the entire ORS Pipeline Safety staff conducted an initial inspection and interview with PNG personnel that supervise the pipeline in Greenville, South Carolina. One week later, May 16, 2018, the ORS Pipeline Safety staff, as well as additional ORS administrative personnel, conducted a formal inspection of records of the pipeline facility in question at the PNG offices in Spartanburg, South Carolina.

ORS Inspection and Fact Findings

During the initial meeting and inspection on May 9, 2018, PNG personnel were interviewed and expressed a deep concern with the allegations made in the letter to the PSC. PNG was cooperative and pledged to provide any information and records necessary to conduct a formal inspection and investigation. ORS requested all records of x-rayed welds that may have any type of defect, a 10% sample of all X-rays, all records and documentation for testing of the pipeline, and records used for calibration of all X-ray machines. ORS determined that there was no immediate threat to the integrity of the pipeline and that it was not necessary for PNG to terminate operations at that time.

The following week, ORS again met with PNG staff to review maps and records of the construction project. During this formal investigation, ORS reviewed PNG's Operations and Maintenance records (O&M), procedures manual, the pipeline construction contractor's O&M, the radiography company's O&M, test records, and the construction inspector's field records. ORS also reviewed the API 1104 standard as it pertained to PNG's construction.

The investigation revealed three inconsistencies that ORS will further investigate:

- 1) Section 4.5 of PNG's procedures states that all bore/drilled pipe will be X-rayed by a level III tech. The procedures also state that an audit of at least 10% of all X-rays completed by a level II tech shall be reviewed by a level III tech, daily. Neither of these occurred.
- 2) Section 4.3.7 of PNG's procedures states that any defect found and repaired shall be inspected in the manner it was discovered. To date, the re-inspection has not been conducted in the manner it was discovered.
- 3) PNG did not document the repair made to the weld in question.

PNG Actions

PNG is currently conducting its own investigation of the pipeline construction process. PNG will provide ORS with a solution to rectify the issue for the weld in question and reasons why, if any, there was no documentation for the weld repair or audits per PNGs procedures. ORS will meet again with PNG personnel to determine their course of action on June 6, 2018.

Conclusion

Upon completion of the pipeline, PNG conducted two hydro tests on the pipeline. Both tests were successful. An examination of these records by ORS concluded that the pipeline to the WS Lee facility is currently safe to operate. In summary, the investigation found that PNG did not follow its own procedures and there was insufficient documentation, or in some cases no documentation, for audits and the repair of the weld in question. ORS is currently analyzing PSC and PHMSA regulations to determine if a non-compliance exists.